

Mid-Week Markets Recap: April 8, 2026

Key Takeaways

- President Trumps amplifies threats for Iran amid a pending ceasefire deadline
 - Following weeks of proposals and reported progress, a ceasefire was confirmed after six and a half weeks of conflict with Iran
 - A strong Q1 earnings report further reinforces Delta's dominance in the Airlines Industry
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Trump Escalates Threats on Iran Pending his Deadline

“Trump aims to pull out all the stops as his proposed deadline for Iran’s surrender approaches”

On Monday morning, President Trump intensified his threats against Iran, with the President’s proposed deadline approaching for the country to reopen the Strait of Hormuz slowly approaching. Following these threats, stock futures edged lower, while oil prices continued to advance.

Markets have continued to become accustomed to volatile communications between Iran and the United States, meaning that many times the moves that follow have become some sort of a routine. Announcements or communications made from either side that signal a continuation of this conflict have consistently been met with advances in energy prices alongside contractions in risk assets such as equities. When talks occur that signal the reverse, or a potential resolution, markets tend to see the previous pattern occur in an opposite manner. Since the start of this conflict, investor concern has continued to remain on the duration of this conflict and what its implications could mean down the line. While the past week saw investor optimism regarding a resolution for the first time, the start of this week reduced some of these feelings. For now, what remains the focal point is how Iran reacts to this threat, or whether it’s a last ditch move aimed at pulling all the strings.

Iran Agrees to a Ceasefire

“After opening the day with threats toward Iran, the U.S. ended it with a ceasefire agreement”

Tuesday morning investors were met with comments that further signaled the resilience of President Trump to continue his attacks on Iran, with strikes on Kharg Island having been reported. While this news was initially met negatively by markets, its impact faded away as markets closed higher on the day. This positive sentiment continued on, as later that evening it had been announced that the U.S. and Iran entered into a two-week ceasefire.

Immediately following the announcement stock futures had edged higher, whereas oil prices fell around 12-13%. The significance of this move, particularly in light of its context, lies in its potential to represent a structural shift rather than a temporary change. Throughout the past six weeks of this conflict, markets had become accustomed to short-term advances being temporary in nature, rather than structural. On multiple occasions, any reports of a potential resolution would shortly be met with further escalations from both sides, reversing any positive moves that had occurred. While markets closed positive last week for the first time since the start of the conflict, investors still experienced further attacks and threats. This continued until Tuesday night, where, for the first time, investors were met with a concrete resolution to the conflict. While short-term in nature, it's still the furthest we've been in terms of a resolution.

While this resolution allows investors to rotate out of their current risk-off stance, it's still important to note that we're still far from returning to status quo. The main concern surrounding this conflict had been rising oil prices, and it has been continuously highlighted that the solution to this problem isn't as simple. Throughout the war energy infrastructure all across the Middle East had been impacted, with some attacks reported to have caused permanent structural damage. In order to return to the state in which Middle Eastern markets and distributors were in prior to the war, it may take several months. While this is key to note, given the forward-looking nature of investors, it isn't enough to bring down wishful thinking. Most across markets, even the Federal Reserve themselves, had emphasized the notion of rising oil prices being temporary in nature, and not to have broader implications across the board. Concerns had always been regarding the longevity of this which ties back into the conflict at hand. A resolution was what was needed to cement this idea, and for weeks it was what investors had been looking for, and by Tuesday night, they had it.

Delta Reports a Strong First Quarter

“Investors reacted positively as Delta continued to navigate an increasingly volatile macro backdrop”

Wednesday morning, Delta reported its first quarter earnings report, which was met positively by investors. Despite persistent macro headwinds, the airline was able to beat analysts' expectations for both its topline and bottom-line numbers. Guidance, however, was left unchanged primarily due to uncertainties surrounding macroeconomic developments. Even with this at play, investors reacted positively to the company's report, with shares up 9% to start the day.

For the quarter, revenue had come in at \$15.9b, while adjusted EPS was at \$0.64 per share. Operating cash flow had come in at \$2.4b. These figures were in line with Delta's initial guidance provided in its previous Q4 earnings report, a period in which the idea of a global conflict and government shutdown were unfathomable. The idea that Delta was able to navigate these headwinds, and still deliver on what they initially posted is what boosted investor sentiment. It was through its refinery, increased activity within its premium offerings, and the reduction of low-traffic flights that Delta was able to achieve this.

Moving forward, Delta projects much of its initial guidance to remain the same for the rest of the year, despite uncertainties surrounding oil prices. For the upcoming quarter it expects pre-tax profits of around \$1b, despite an estimated increase of \$2b of fuel expenses. This year has been volatile, but Delta has been able to filter out

the noise, and focus on doing what they do best. They've cut costs, added incremental revenue through other segments, and have continued to their own and co-branded credit card offerings. Recent market reactions show that investors are starting to recognize the continued emergence of Delta's leadership in the Airlines industry. In an environment filled with uncertainty, and added pressure on consumers, Delta has been able to successfully navigate through all of this, and deliver strong results to its shareholders.